

COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY

FIRST AMENDMENT

PROFESSIONAL SERVICES AGREEMENT

2021-P00024 A

APPEAR

AS FIRST PARTY: The Puerto Rico Electric Power Authority (hereinafter referred to as "PREPA"), a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act 83 of May 2, 1941, as amended, represented in this act by its Interim Executive Director, Efran Paredes Maisonet, of legal age, married and resident of Bayamón, Puerto Rico. -----

AS SECOND PARTY: King & Spalding, LLP (King & Spalding), a limited liability partnership formed and existing under the laws of the State of Georgia, United States of America, with a place of business at 1700 Pennsylvania Ave., NW, Washington, DC 20006, herein represented by Steven M. Kupka, who has authority to enter into this Agreement by virtue of his position as a King & Spalding partner. -----

Both PREPA and King & Spalding are herein individually referred to as a Party and collectively referred to as the Parties.-----

WITNESSETH

In consideration of the mutual covenants and agreements contained in this Amendment, hereinafter stated, the Parties agree themselves, their personal representatives, and successors as follows: -----

STATE

WHEREAS: PREPA, by virtue of Act 83, has the authority to engage those professional, technical and consulting services necessary and convenient to the activities, programs, and operations of PREPA. -----

WHEREAS: In accordance with PREPA's Governing Board Resolution 4803 of June 24, 2020, the appearing Parties executed Agreement 2021-P00024 (the "Agreement") on July 14, 2020 and effective until September 30, 2020, with a not to exceed amount of one million eight hundred seventy-five thousand dollars (\$1,875,000, the "Agreement Amount"). Through this Agreement, King & Spalding provides PREPA outside counsel in connection with legal issues arising from hurricane restoration, restructuring, and other operational matters, as: hurricane and corresponding relief efforts, PREPA's emergency and power restoration procurement and contracting; Federal Emergency Management Agency (FEMA) reimbursements and project worksheets; Federal and Puerto Rico criminal investigations related to hurricane relief efforts; major bankruptcy cases; Title III PROMESA restructuring; and Energy Regulations – Puerto Rico Energy Bureau rate case, among others.-----

WHEREAS: On September 30, 2020, PREPA's Governing Board, through Resolution 4835 authorized an extension of the Agreement from October 1, 2020 through June 30, 2021. The Resolution 4835 authorized an increase to the Agreement Amount by five million six hundred twenty-five thousand dollars (\$5,625,000), from one million eight hundred seventy-five thousand dollars (\$1,875,000) to seven million five hundred thousand dollars (\$7,500,000).-----

THEREFORE: In order to continue receiving the King & Spalding's services, the appearing Parties hereby agree to enter into this First Amendment under the following:--

TERMS AND CONDITIONS

FIRST: The Parties agree to amend Article 4, Agreement Term, to extend its term from October 1, 2020 through June 30, 2021 (Fiscal Year 2020-2021). The remaining sentence of the Article 4 of the Agreement, not affected by this Amendment shall remain unaltered and fully enforceable.-----

SECOND: The Parties agree to amend Article 6 of the Agreement, to increase its amount by five million six hundred twenty-five thousand dollars (\$5,625,000), from one million eight hundred seventy-five thousand dollars (\$1,875,000) to seven million five hundred thousand dollars (\$7,500,000). The payments to be made under this First Amendment will be charged to account 01-4019-92319-556-673. -----

THIRD: As for the original Agreement, King & Spalding will comply with all applicable State Law, Regulations and Executive Orders that regulate the contracting process and establish the requirements for governmental contracting in the Commonwealth of Puerto Rico. Also, King & Spalding shall provide, before the execution of this Amendment, the following: -----

- A. Copy of its Articles of Incorporation or creation.-----
- B. Certificate of Existence, issued by the country in which it is incorporated or created.---
- C. A sworn statement in which King & Spalding will establish and certify: -----
 - (i) King & Spalding's tax identification number.-----
 - (ii) The country in which King & Spalding is incorporated or created. -----

- (iii) That King & Spalding does not have any tax responsibility in the Commonwealth of Puerto Rico.-----
- (iv) That the compliance with the terms and conditions of this Agreement does not make King & Spalding an entity doing business in Puerto Rico. -----
- (v) That King & Spalding does not have a local office in the Commonwealth of Puerto Rico. -----


D. Puerto Rico Child Support Administration (ASUME): King & Spalding hereby certifies that it is not duty bound to pay child support, or if so, that King & Spalding is up to date or has a payment plan to such effects. As evidence thereof, King & Spalding has delivered to PREPA a certification issued by the Puerto Rico Child Support Administration (Administración para el Sustento de Menores (ASUME) certifying that King & Spalding does not have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with ASUME. -----

E. Special Contribution for Professional and Consulting Services: As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one point five percent (1.5%) of the gross amounts paid under this Agreement. -----

F. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE- 24; and C.F.R. Part 404 et. Seq., King & Spalding will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Agreement. -----

G. Income Tax Retention Law: PREPA shall deduct and withhold twenty-nine percent (29%) of the gross amounts paid for services, in accordance with Section 1062.11 of the Puerto Rico Internal Revenue Code, Act 1-2011, as amended. King & Spalding will request PREPA not to make such withholdings if, to the satisfaction of PREPA,

King & Spalding timely provides a release from such obligation by the Government of Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R.A. § 232; 232-2011. -----

 H. Compliance with Act No. 1 of Governmental Ethics: King & Spalding will certify compliance with Act 1-2012, as amended (Act 1-2012), known as the Ethics Act of the Government of Puerto Rico, which stipulates that no employee or executive of PREPA nor any member of his/he immediate family (spouse, dependent children or other members of his/her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the services to be rendered under this Agreement, except as may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government. 3 L.P.R.A. § 8611 et seq.; -----

I. Act 127-2004: Agreement Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of this Agreement will not be made until this Agreement is properly registered in the Office of the Comptroller of the Government of Puerto Rico pursuant to Act 18 of October 30, 1975, as amended. -----

J. Prohibition with respect to execution by public officers: 3 L.P.R.A. § 8615(c): No public officer or employee authorized to contract on behalf of the executive agency for which he/she works may execute a contract between the agency for which he/she works and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office. -----

- K. Prohibition with respect to contracting with officers or employees: 3 L.P.R.A. § 8615(d): No executive agency may execute a contract in which any of its officers or employees or any member of their family units has or has had direct or indirect economic interest during the last four (4) years prior to their holding office, unless the Governor gives authorization thereto with the previous recommendation of the Secretary of the Treasury and the Secretary of Justice. -----
- L. Prohibition with respect to contracts with officers and employees of other Government entities: 3 L.P.R.A. § 8615(e): No public officer or employee may be a party to or have any interest in any profits or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with previous recommendation from the Secretary of the Treasury and the Secretary of Justice. -----
- M. Prohibition with respect to evaluation and approval by public officers: 3 L.P.R.A. § 8615(f): No public officer or employee who has the power to approve or authorize contracts shall evaluate, consider, approve or authorize any contract between an executive agency and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office. -----
- N. Prohibition with respect to execution by public officers' contracts with former public officers: 3 L.P.R.A. § 8615(h): No executive agency shall execute contracts with or for the benefit of persons who have been public officers or employees of said

executive agency until after two (2) years have elapsed from the time said person has
ceased working as such. -----


O. Dispensation: Any and all necessary dispensations have been obtained from any
government entity and that said dispensations shall become part of the contracting
record. -----

P. Rules of Professional Ethics: King & Spalding acknowledges and accepts that it is
knowledgeable of the rules of ethics of his/her profession and assumes responsibility
for his/her own actions. If any of the previously required Certifications shows a debt,
and King & Spalding has requested a review or adjustment of this debt, King &
Spalding will certify that it has made such request at the time of the Agreement
execution. If the requested review or adjustment is denied and such determination is
final, King & Spalding will provide, immediately, to PREPA a proof of payment of this
debt; otherwise, King & Spalding accepts that the owed amount be offset by PREPA
and retained at the origin, deducted from the corresponding payments. -----

ML

Q. Anti - Corruption Code for a New Puerto Rico: King & Spalding agrees to comply with
the provisions of Act 2-2018, as the same may be amended from time to time, which
establishes the Anti -Corruption Code for a New Puerto Rico (Act 2-2018). King &
Spalding hereby certifies that it does not represent particular interests in cases or
matters that imply a conflicts of interest, or of public policy, between the executive
agency and the particular interests it represents. King & Spalding shall furnish a sworn
statement to the effect that neither King & Spalding, nor any president, vice president,
executive director or any member of a board of officials or board of directors, or any

person performing equivalent functions for King & Spalding has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico (Act 8-2017) or any of the crimes included in Act 2-2018. King & Spalding hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017. PREPA shall have the right to terminate the Agreement in the event King & Spalding is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017. -----

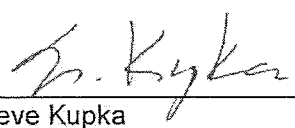
 R. Consequences of Non Compliance: King & Spalding expressly agrees that the conditions outlined throughout this Article are essential requirements of this Agreement. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for the PREPA to render this Agreement null and void.-----

FOURTH: All other terms and conditions, specifications, stipulations, insurances, and requirements established in the Agreement, as amended, shall remain unaltered and fully enforceable.-----

In WITNESS WHEREOF, the Parties hereto have agreed to execute this First Amendment in San Juan, Puerto Rico, on this 30 day of September, 2020.-----

Efran Paredes Maisonet
Interim Executive Director
Puerto Rico Electric Power Authority



Steve Kupka
Partner
King & Spalding, LLP